

PRELIMINARY DOCKET: COMMISSION MEETING –WEDNESDAY – DECEMBER 16, 2009

9:00 A.M. – Porter Hall
 1220 South St. Francis
 Santa Fe, New Mexico

Land Commissioner, Patrick H. Lyons, may designate Jami Bailey as his representative for this meeting, or may participate himself.

Notice: The minutes of the November 4, 2009 Commission Meeting will be adopted.

Notice: During this meeting, the Commission may conduct a closed executive session during which it will deliberate in connection with an administrative adjudicatory proceeding pending before the Commission or consult with Commission counsel under the attorney-client privilege concerning threatened or pending litigation in which the Commission is or may become a participant.

Final action may be taken in the following:

CASE 14055: *Application of the New Mexico Oil Conservation Division for a Compliance Order against C&D Management Company d/b/a Freedom Ventures Company.*

Locator Key for Cases

Case 14041 – No. 1
 Case 14323 – No. 6
 Case 14326 – No. 2
 Case 14365 – No. 3
 Case 14366 – No. 4
 Case 14382 – No. 5

1. **CASE 14041:** *De Novo (Continued from the November 4, 2009 Commission Meeting.) Application of the New Mexico Oil Conservation Division for a Compliance Order against Marks and Garner Production Ltd. Co.: Request for Determination of Non-Compliance with OCD Rule 19.15.5.9 NMAC for Violation of an Order Requiring Corrective Action.* The Applicant seeks to reopen this case to obtain an order determining that operator is in violation of an order requiring corrective action as to the following 11 wells:

Theos State #001 (30-015-24732); Lea/UA/State #001 (30-025-28484); Northeast Maljamar Unit #001 (30-025-21291); Red Twelve Levers Fed #008Q (30-015-25090); State #001 (30-015-02888); Gulf Hanagan Fed #001 (30-025-08144); Cities Service State #001 (30-025-23551); Graham Federal #003 (30-025-28655); Jennings Federal #002(30-025-08149); Kemnitz 17 State #001 (30-025-28767); State #002 (30-015-20889)

State Wells #001 and #002, Theos State #001 and Red Twelve Levers Federal #008Q are all located in Eddy County, New Mexico, approximately sixteen (16) miles East of Artesia. The remainder of the above-listed wells are located in Lea County, New Mexico, with the Cities Service State #001 located Northwest of Lovington, the Northeast Maljamar Unit #001 and Kemnitz 17 State #001 both located Northeast of Maljamar, and the remaining wells being located Southwest of Hobbs.

2. **CASE 14326:** *De Novo (Continued from the November 4, 2009 Commission Meeting.) Application of the New Mexico Oil Conservation Division for a Compliance Order against Nacogdoches Oil and Gas, Inc. ("NOG").* The Applicant seeks an Order finding that Operator NOG is in violation of OCD Rule 19.15.8.9 as to 39 wells and Rule 19.15.25.8 as to 121 wells, requiring NOG to bring all such wells into full compliance with OCD Rules by a date certain. The Division further seeks authority to forfeit any associated financial assurances, and to plug and abandon the subject wells should the Operator fail to meet the deadline established by the Order. The subject wells are all located in McKinley County on eight (8) units. The Hospah Sand Unit is located approximately 20 mi. NE of Crownpoint, NM, 4 mi. S of junction of highways 197 and 509 on the E side of highway 509; the Santa Fe RR Unit is located approximately 23 mi. E of Crownpoint, NM, 6 mi. SE of junction of 197/509; the Lone Pine Dakota D Unit is located approximately 24 mi. E of Crownpoint, NM, 7 mi. S of junction 197/509; the Santa Fe Railroad A Unit is located directly adjacent to the Hospah Sand Unit to the southeast and is approximately 24 mi. E of Crownpoint, NM, 7 mi. SSE of junction 197/509, the Santa Fe Railroad B Unit is comprised of a small cluster of wells located approximately 26 mi. E of Crownpoint, NM, 8 mi. SE junction 197/509; the Santa Fe Pacific RR Unit is located approximately 21 mi. E of Crownpoint, 9 mi. S junction 197/509;

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the South Hospah Unit is located approximately 21 mi E of Crownpoint, NM, 7 mi SE of junction 197/509; and the Santa Fe Unit is directly adjacent to the SE of the Santa Fe Railroad Unit and is approximately 24 mi. E of Crownpoint, NM, 7 mi ESE of junction 197/509. The specific wells involved in this matter include the following:

30-031-05205	hospah sand unit #003	N-36-18N-09W 1650-W 330-S
30-031-05207	hospah sand unit #015	N-36-18N-09W 2590-W 330-S
30-031-05213	hospah sand unit #017	N-36-18N-09W 999-E 999-S
30-031-05203	hospah sand unit #019	O-36-18N-09W 2060-E 330-S
30-031-05212	hospah sand unit #025	O-36-18N-09W 999-E 999-S
30-031-05214	hospah sand unit #027	P-36-18N-09W 999-E 999-S
30-031-05216	hospah sand unit #028	J-36-18N-09W 550-W 550-S
30-031-05225	hospah sand unit #029	G-36-18N-09W 550-W 550-S
30-031-05224	hospah sand unit #032	I-36-18N-09W 999-E 999-S
30-031-05222	hospah sand unit #035	K-36-18N-09W 999-E 999-S
30-031-05219	hospah sand unit #037	I-36-18N-09W 990-E 990-S
30-031-05179	hospah sand unit #038	F-1 -17N-09W 1970-W 2030-N
30-031-05171	hospah sand unit #039	K-1 -17N-09W 1980-W 1980-S
30-031-05201	hospah sand unit #050	P-36-18N-09W 660-E 330-S
30-031-05194	hospah sand unit #051	3-1 -17N-09W 1980-E 660-N
30-031-05182	hospah sand unit #052	G-1 -17N-09W 2970-W 2310-N
30-031-20115	hospah sand unit #058	O-36-18N-09W 2350-E 30-S
30-031-20116	hospah sand unit #059	J-36-18N-09W 2625-E 1430-S
30-031-20248	hospah sand unit #084	F-1 -17N-09W 2600-W 1425-N
30-031-20613	hospah sand unit #092	O-36-18N-09W 1850-E 700-S
30-031-20611	hospah sand unit #093	4-1 -17N-09W 2010-W 770-N
30-031-20608	hospah sand unit #095	3-1 -17N-09W 2550-E 350-N
30-031-20831	hospah sand unit #100	H-36-18N-09W 1190-E 2505-N
30-031-20944	hospah sand unit #105	N-36-18N-09W 1750-W 70-S
30-031-20183	Lone pine dakota d unit#012	B-13-17N-09W 3500-W 800-N
30-031-20174	lone pine dakota d unit#014	3-13-17N-09W 4620-W 1980-N
30-031-20201	lone pine dakota d unit#023	K-13-17N-09W 2310-W 1650-S
30-031-20086	santa fe #016	C-7 -17N-08W 2310-W 330-N
30-031-20102	santa fe #017	F-7 -17N-08W 1950-W, 1950-N
30-031-20341	santa fe #029	B-7 -17N-08W 1680-E 990-N
30-031-20165	santa fe pacific RR #002	L-13-17N-09W 660-W 1980-S
30-031-20181	santa fe pacific RR #008	D-24-17N-09W 640-W 740-N
30-031-20182	santa fe pacific RR #009	F-13-17N-09W 2180-W 2180-N
30-031-05147	santa fe railroad #003	1-7 -17N-08W 660-W 660-N
30-031-05151	santa fe railroad #004	C-7 -17N-08W 1650-W 330-N
30-031-05141	santa fe railroad #007	2-7 -17N-08W 330-W 1650-N
30-031-05496	santa fe railroad #008	3-7 -17N-08W 330-W 2400-S
30-031-05531	santa fe railroad #009	F-7 -17N-08W 1650-W 1650-N
30-031-20032	santa fe railroad #012	1-7 -17N-08W 330-W 330-N
30-031-20038	santa fe railroad #013	1-7 -17N-08W 330-W 930-N

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the South Hospah Unit is located approximately 21 mi E of Crownpoint, NM, 7 mi SE of junction 197/509; and the Santa Fe Unit is directly adjacent to the SE of the Santa Fe Railroad Unit and is approximately 24 mi. E of Crownpoint, NM, 7 mi ESE of junction 197/509. The specific wells involved in this matter include the following:

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30-031-05203	hospah sand unit #019	O-36-18N-09W 2060-E 330-S
30-031-05212	hospah sand unit #025	O-36-18N-09W 999-E 999-S
30-031-05214	hospah sand unit #027	P-36-18N-09W 999-E 999-S
30-031-05216	hospah sand unit #028	J-36-18N-09W 550-W 550-S
30-031-05225	hospah sand unit #029	G-36-18N-09W 550-W 550-S
30-031-05224	hospah sand unit #032	I-36-18N-09W 999-E 999-S
30-031-05222	hospah sand unit #035	K-36-18N-09W 999-E 999-S
30-031-05219	hospah sand unit #037	I-36-18N-09W 990-E 990-S
30-031-05179	hospah sand unit #038	F-1 -17N-09W 1970-W 2030-N
30-031-05171	hospah sand unit #039	K-1 -17N-09W 1980-W 1980-S
30-031-05201	hospah sand unit #050	P-36-18N-09W 660-E 330-S
30-031-05194	hospah sand unit #051	3-1 -17N-09W 1980-E 660-N
30-031-05182	hospah sand unit #052	G-1 -17N-09W 2970-W 2310-N
30-031-20115	hospah sand unit #058	O-36-18N-09W 2350-E 30-S
30-031-20116	hospah sand unit #059	J-36-18N-09W 2625-E 1430-S
30-031-20248	hospah sand unit #084	F-1 -17N-09W 2600-W 1425-N
30-031-20613	hospah sand unit #092	O-36-18N-09W 1850-E 700-S
30-031-20611	hospah sand unit #093	4-1 -17N-09W 2010-W 770-N
30-031-20608	hospah sand unit #095	3-1 -17N-09W 2550-E 350-N
30-031-20831	hospah sand unit #100	H-36-18N-09W 1190-E 2505-N
30-031-20944	hospah sand unit #105	N-36-18N-09W 1750-W 70-S
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30-031-20201	lone pine dakota d unit#023	K-13-17N-09W 2310-W 1650-S
30-031-20086	santa fe #016	C-7 -17N-08W 2310-W 330-N
30-031-20102	santa fe #017	F-7 -17N-08W 1950-W, 1950-N
30-031-20341	santa fe #029	B-7 -17N-08W 1680-E 990-N
30-031-20165	santa fe pacific RR #002	L-13-17N-09W 660-W 1980-S
30-031-20181	santa fe pacific RR #008	D-24-17N-09W 640-W 740-N
30-031-20182	santa fe pacific RR #009	F-13-17N-09W 2180-W 2180-N
30-031-05147	santa fe railroad #003	1-7 -17N-08W 660-W 660-N
30-031-05151	santa fe railroad #004	C-7 -17N-08W 1650-W 330-N
30-031-05141	santa fe railroad #007	2-7 -17N-08W 330-W 1650-N
30-031-05496	santa fe railroad #008	3-7 -17N-08W 330-W 2400-S
30-031-05531	santa fe railroad #009	F-7 -17N-08W 1650-W 1650-N
30-031-20032	santa fe railroad #012	1-7 -17N-08W 330-W 330-N
30-031-20038	santa fe railroad #013	1-7 -17N-08W 330-W 930-N

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30-031-20053	south hospah unit #014	E-12-17N-09W 1300-W 1700-N
30-031-20055	south hospah unit #015	E-12-17N-09W 330-W 2500-N
30-031-20056	south hospah unit #016	F-12-17N-09W 2330-W 1755-N
30-031-20057	south hospah unit #017	G-12-17N-09W 3000-W 2250-N
30-031-05134	south hospah unit #021	K-12-17N-09W 2310-W 2310-S
30-031-05498	south hospah unit #022	L-12-17N-09W 990-W 2210-S
30-031-20091	south hospah unit #024	B-12-17N-09W 2650-E 330-N
30-031-20092	south hospah unit #025	2-12-17N-09W 1505-E 330-N
30-031-20093	south hospah unit #026	1-12-17N-09W 380-E 330-N
30-031-20094	south hospah unit #027	4-12-17N-09W 330-E 1570-N
30-031-20095	south hospah unit #028	2-12-17N-09W 1485-E 933-N
30-031-20120	south hospah unit #029	B-12-17N-09W 1870-E 410-N
30-031-20121	south hospah unit #030	B-12-17N-09W 1980-E 950-N
30-031-20122	south hospah unit #031	B-12-17N-09W 2800-E 330-N
30-031-20125	south hospah unit #032	C-12-17N-09W 2370-W 550-N
30-031-20124	south hospah unit #033	F-12-17N-09W 1710-W 1340-N
30-031-20119	south hospah unit #035	2-12-17N-09W 850-E 330-N
30-031-20118	south hospah unit #036	B-12-17N-09W 2630-E 900-N
30-031-20135	south hospah unit #037x	D-12-17N-09W 1280-W 1280-N
30-031-20151	south hospah unit #038	2-12-17N-09W 660-E 660-N
30-031-20152	south hospah unit #039	3-12-17N-09W 660-E 2180-N
30-031-20360	south hospah unit #046	E-12-17N-09W 700-W 1700-N
30-031-20361	south hospah unit #047	3-12-17N-09W 1775-W 785-N
30-031-20362	south hospah unit #048	G-12-17N-09W 2817-E 1485-N
30-031-20363	south hospah unit #049	B-12-17N-09W 2117-E 885-N
30-031-20364	south hospah unit #050	2-12-17N-09W 900-E 950-N
30-031-20242	south hospah unit #051	E-12-17N-09W 620-W 1775-N
30-031-20243	south hospah unit #052	C-12-17N-09W 1850-W 720-N
30-031-20278	south hospah unit #053	1-12-17N-09W 330-E 950-N
30-031-20407	south hospah unit #054	1-12-17N-09W 5-E 1319-N
30-031-20408	south hospah unit #057	E-12-17N-09W 110-W 2290-N
30-031-20409	south hospah unit #058	F-12-17N-09W 1640-W 2580-N
30-031-20410	south hospah unit #059	G-12-17N-09W 2500-E 2340-N
30-031-20411	south hospah unit #060	8-12-17N-09W 1300-E 2210-N
30-031-20546	south hospah unit #061	B-12-17N-09W 2510-E 1120-N
30-031-20545	south hospah unit #062	B-12-17N-09W 1770-E 650-N
30-031-20544	south hospah unit #063	1-12-17N-09W 1325-E 710-N
30-031-20547	south hospah unit #064	3-12-17N-09W 900-E 1360-N

Upon application of Nacogdoches Oil and Gas, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 19.15.4.23.